

STRENGTH IN NUMBERS

Alberta Accounting Body Merger Plan | May 2012

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1. EXECUTIVE SUMMARY

The accounting profession, both nationally and internationally, is converging. We all practice the same competencies in our profession regardless of the educational path followed; we are all capable accountants taking our careers in a variety of directions across the country. However, pressures from the external environment including; slowing domestic population growth, increased competition from global accounting designations and market confusion regarding differentiation have prompted us to action.

With 40 different accounting organizations across our 10 provinces and three territories, the amount of differing regulatory environments is overwhelming – and has historically caused issues with mobility. In Alberta, due to the redundant expenditure of resources on operating costs, the development of member opportunities is suboptimal.

These are just two of the reasons why the CMAs and CGAs of Alberta entered into discussions about the unification of the accounting profession across Canada. We see the need to harmonize, to reduce confusion and to focus on allowing you – our members – to grow in your careers.

From an association perspective, we also see that unification has the advantage of allowing us to redirect resources we each currently spend on competing with one another to our members – toward enhancing services we can offer you and the people who rely on you.

Thanks to the hard work and good faith our two organizations have shared, we have been able to reach an agreement in Alberta that benefits all of our members. The result is a proposal founded in shared principles which will protect and promote the long-term interests of our profession as we move forward.

The implementation of the unification proposal involves three stages. The first stage is member consultation, where we are presently. Here we ask you to review the proposal, ask questions and then ultimately vote on the question of unification of the accounting profession in Alberta.

In resolving how to move forward the board will consider the following factors: a) a positive member vote on unification; b) unification activities in other jurisdictions; and c) other environmental factors. When the boards resolve to move forward, we will enter the transition stage of the unification process. These include a positive membership vote on the unification plan, and board acceptance of the results in moving the process forward in changing legislation. In this stage, a Unification Agency will be developed including a public member from each of the CGA and CMA organizations, three CMA members and three CGA members, all appointed by the existing association boards. That Unification Agency will be responsible for deciding on the actions required to take us forward into stage three – consolidation.

A major action will be approaching government with changes to the Regulated Accounting Profession Act that will create CPA Alberta. Once those legislative changes have been made, we enter the Consolidation stage. Then, members of both organizations in good standing will become members of CPA Alberta. As members, you will be able to identify yourself with the designation you hold now, or become a CPA, CGA or CPA, CMA, as the case may be.

Students currently enrolled in CGA or CMA programs will be given an opportunity to either complete their current program within a specific time frame or transition into the new CPA program. More details regarding the CPA program and resultant transitions for students will be communicated as they become available.

Across the country, each province must negotiate a specific unification proposal among the three bodies. Our Alberta proposal is part of those national and provincial discussions to create CPA Canada. Thanks to a great working relationship between the CGA and CMA Alberta organizations, we have reached a mutually beneficial proposal that can be a template to assist the other provinces in their negotiations. You can keep up-to-date on the national unification news on the CPA Canada website – www.cpacanada.ca.

We are ready to work with all of our counterparts provincially and nationally to help ensure unification discussions are successful.

Moreover, both CMA and CGA Alberta welcome the inclusion of the Institute of Chartered Accountants of Alberta into this proposal.

2. PREAMBLE

- 2.1. The Board of Directors of CMA Alberta and the Board of Governors of CGA Alberta are proposing that the two accounting bodies unify to form one accounting body under the name of Chartered Professional Accountants Association of Alberta (which will be referred to as CPA Alberta) which is to be established by legislation.
- 2.2. This Plan will be placed before the Members of CGA Alberta and CMA Alberta for approval. Subject to that approval, the Board of each Unifying Body intends to proceed with the proposed unification as outlined in this Plan. This shall include requests to the Government of Alberta for enabling legislation and the associated regulations, bylaws, board resolutions and rules of professional conduct.
- 2.3. Before the Consolidation Stage, the Unification Agency or the Boards of the Unifying Bodies may, in their discretion, amend or modify this Plan to give better effect to the stated objectives, which includes the ability to resolve, to delay, or not to proceed with the entire unification described herein, notwithstanding any Member approval. The Unification Agency or the Boards of the Unifying Bodies may take such steps in response to developments such as: a) unification activities occurring or not occurring in other jurisdictions, or b) significant changes in their perception of the risk exposure of Alberta CMAs and/or CGAs, or their stakeholders.
- 2.4. This Plan relates only to the business and authority of CGA Alberta and CMA Alberta. Other related organizations in other jurisdictions, including the provincial, regional and national affiliates of each of the Unifying Bodies, are also engaged in discussions of unification arrangements.
- 2.5. Where any activity, process, program or goal contemplated in this Plan falls within the control of an organization related to the Unifying Bodies, the Unifying Bodies intend to cause or request the related organization(s) to give effect to the activity, process, program or goal contemplated in this Plan.
- 2.6. CGA Alberta and CMA Alberta intend to continue to work within the broader unification discussions currently underway nationally.
- 2.7. CGA Alberta and CMA Alberta were engaged in three party unification discussions with the ICAA. The current arrangements will proceed as outlined in this Plan; however, both Unifying Bodies remain open to the return of the ICAA to three party unification discussions in Alberta, largely along the lines outlined herein.

- 2.8. References to "CPA" in this document are predicated on the assumption that the Unifying Bodies and the new unified organization can gain access to the usage of "CPA" and the related names described herein. The Boards of the Unifying Bodies may substitute another designation name and related names in the event that they are unable to gain this access or that the legislation flowing from this unification cannot include "CPA" and the related names.
- 2.9. The objective of the Unifying Bodies is to move towards a unified accounting profession, which the Unifying Bodies consider to be in the best interest of their respective Members and the public. This Plan is intended to guide future discussions about how the Unifying Bodies intend to consult with their respective Members, and to provide direction around how the Unifying Bodies propose to move towards unification throughout the stages outlined herein. The Unifying Bodies recognize that the Plan will be modified following discussions, and subject to legislative amendments and that the Plan is further subject to compliance with the enabling statutes of the Unifying Bodies and the proposed unified entity.
- 2.10. The Unifying Bodies acknowledge that they remain subject to certain agreements with respect to the confidentiality of matters associated with the implementation of this Plan. This Plan is intended to be released publicly to members of the Unifying Bodies and other stakeholders but matters with respect to the implementation of this Plan will remain confidential, as previously agreed, unless the Unifying Bodies agree otherwise.

3. MEMBER ENDORSEMENTS

- 3.1. A vote in favour of the Plan by the Members of each of CGA Alberta and CMA Alberta who are eligible to vote on such matters, and who do so in a voting arrangement established by the applicable Board, shall constitute a Member Endorsement of this Plan. The vote must be conducted in accordance with the bylaws of CGA Alberta and CMA Alberta respectively. The voting arrangements, question(s), and threshold shall be established by the Boards of the Unifying Bodies.
- 3.2. Following a vote of the Members of both Unifying Bodies, the Boards of the Unifying Bodies will undertake a Final Unification Vote at a meeting of each Board, such vote having regard, in the discretion of each Board, to all matters relevant to the implementation of this Plan. Once a successful Final Unification Vote has been taken by the Boards of all of the Unifying Bodies, the Unification Plan will proceed as outlined herein or as amended by agreement of the Boards of the Unifying Bodies.

4. UNIFICATION STAGES

- 4.1. The Unifying Bodies shall proceed in three stages. The dates of these stages are outlined in Schedule A attached and described herein as follows:
 - 4.1.1. Consultation Stage - from the date of this Plan to the time a Final Unification Vote is passed.
 - 4.1.2. Transition Stage - from the conclusion of the Consultation Stage to the proclamation of provincial legislation which creates CPA Alberta, or a similar body which both of the Boards of the Unifying Bodies have accepted. During this stage each of the existing Unifying Bodies will retain their existing responsibilities and authority under RAPA and their organization's regulations, bylaws, code of ethics and Board resolutions and policies, but the Unifying

Bodies will begin the process of passing and delegating operating authority for their responsibilities to the Unification Agency.

- 4.1.3. Consolidation Stage - from the proclamation of provincial legislation which creates CPA Alberta until a time decided upon by the Board of CPA Alberta.

5. UNIFICATION ACTIVITIES

- 5.1. During the Consultation Stage, CGA Alberta and CMA Alberta will jointly undertake the following activities:
- 5.1.1. Member presentation and Member input sessions;
 - 5.1.2. Plan development by the Unifying Bodies;
 - 5.1.3. Consultation and plan development with other provincial and national accounting bodies and other related organizations;
 - 5.1.4. Consultation with the Government of Alberta and its agencies, Alberta regulators and other Alberta professional bodies;
 - 5.1.5. Consultation with Alberta post-secondary institutions;
 - 5.1.6. Confidentially identify, analyze and discuss risk management issues of the Unifying Bodies;
 - 5.1.7. Undertake appropriate legal and other professional due diligence on the unification plans of each Unifying Body and of the Unification Agency and CPA Alberta;
 - 5.1.8. Participate in the development of a CPA national Affiliation Agreement and initiate the termination of the existing CGA Affiliation Agreement and CMA Affiliation Agreement;
 - 5.1.9. Develop a Student/Candidate Transition Policy and program along the lines outlined at Schedule B;
 - 5.1.10. Develop an outline of interim certifications to be sought by the Unification Agency and CPA Alberta with a view to either supporting a national development effort, or in its absence, undertaking an Alberta specific initiative;
 - 5.1.11. Develop a shared policy statement on access to the profession along with an outline of how various access paths would be developed and deployed by the Unification Agency and CPA Alberta;
 - 5.1.12. Development of a detailed provincial proposal for approval by the Boards of the Unifying Bodies with respect to the following combined functions and roles of the Unification Agency and CPA Alberta:
 - a. Code of Ethics and Rules of Professional Conduct applicable to CPA members and students;

- b. Professional discipline processes;
- c. Continuing Professional Development minimum requirements;
- d. Admission and ongoing registration standards for practicing Public Accounting, including requirements to be met either pre or post certification;
- e. Minimum professional liability insurance for public accounting;
- f. Practice Review rules and processes, including the establishment of education and experience qualifications to be met by practice reviewers appointed for the purpose of practice reviews;
- g. Through direct CPA Alberta work or via collaboration in national CPA work, standards and rules for admission to the CPA Profession along with any associated credentials, recognitions and designations;
- h. Governance structure of the Unification Agency and CPA Alberta Board including appropriate protections of principles important to CGA Alberta, CMA Alberta and their Members;
- i. Policy for the operation of the Unification Agency and CPA Alberta Board and the delegation of Board authority to the CPA Alberta CEO and CPA Alberta standing board committees;
- j. Hiring plans and processes for the CPA Alberta CEO;
- k. Appointment processes to boards, committees and task forces of CPA Alberta and its associated organizations;
- l. Phase out of the individual education programs of the Unifying Bodies and implementation of the CPA Education Program.

5.2. During the Transition Stage, the Unifying Bodies will jointly undertake the following activities, to the extent permitted by legislation:

- 5.2.1. Soliciting support from the provincial government and members for the necessary changes to RAPA, Regulations and Bylaws so as to give effect to the unification described herein (or as amended by both of the Unifying Bodies);
- 5.2.2. Establishing a Board, to be known as the Unification Agency, to undertake preparations for the transition from the Unifying Bodies to CPA Alberta when it is formed. The role of the Unification Agency shall include retaining the services of a CEO for the transition with the understanding that the CEO so retained will be strongly considered for the position of the CEO of CPA Alberta, and empowering that CEO with authority to:
 - a. facilitate the balance of the unification arrangements referred to herein;
 - b. design and deploy an organizational structure for the Transition Stage;

- c. develop and begin the implementation of a 3 year strategic plan for the Unification Agency which shall be presented for review by the Unification Agency and recommended for approval to each of the CMA Board and CGA Board in anticipation of CPA legislation;
 - d. develop and begin implementation of all operational policies of CPA Alberta;
 - e. plan and begin the unification of the operations of both Unifying Bodies;
 - f. develop and begin the implementation of a cash budget and budget funding schedule for the Unification Agency for a period covering the Transition Stage, including cash funding requirements from the Unifying Bodies, and submit that budget for approval by, and commitments from the Unifying Bodies.
- 5.2.3. Preparing the applicable proposals for changes in relationships with international accounting bodies with whom the Unifying Bodies have formal relationships, unless this function is currently performed by the designation's national organization;
 - 5.2.4. Delivering modified student/candidate recruiting programs and maintaining all relationships with post-secondary institutions with a view to transitioning the career interests and understanding of all students/candidates seeking to become designated accountants, to the CPA designation, regardless of whether they will do so through existing legacy programs or the CPA program;
 - 5.2.5. Plan the combination and rationalization of all activities, assets, and personnel of the Unifying Bodies, including budgets and supporting fees for future operations;
 - 5.2.6. Begin, as appropriate, the combination and rationalization of all activities, assets, and personnel of the Unifying Bodies,
 - 5.2.7. Plan and begin the implementation of control over all associated activities and bodies controlled by the Unifying Bodies to the collective control of CPA Alberta. Where the control of the associated activities or body is held by a party related to the Unifying Body, the transfer will be supported as is applicable in the circumstances;
 - 5.2.8. Execute plans to mitigate and manage risks and liabilities identified in the Consultation or Transition Stages;
 - 5.2.9. Identify liabilities and plan for the assumption of identified liabilities by CPA Alberta at the Consolidation Stage;
 - 5.2.10. Develop a schedule of Member Dues and Member Fees based on the expected budget for CPA Alberta;
 - 5.2.11. Plan phase out or integration (as applicable and relevant) of related provincial and/or regional related entities;
 - 5.2.12. Seek legal and professional advice, as appropriate, with respect to the implementation of the approved Unification Plan.

- 5.2.13. Consult with international accounting bodies with whom the Unifying Bodies have formal relationships;
- 5.3. During the Consolidation Stage, CPA Alberta will undertake the following activities:
 - 5.3.1. Complete all transition and consolidation activities from the Consultation and Transition Stages;
 - 5.3.2. Negotiate and finalize all of the regulatory and contractual changes necessary to give effect to this unification and to begin the effective operation of CPA Alberta in accordance with its strategic plan to undertake the unification of the operations of both Unifying Bodies;
 - 5.3.3. Implement the CPA Education Program and discontinue existing educational programs in accordance with plans and commitments to do so;
 - 5.3.4. Phase out and/or integrate, where relevant and planned, related provincial and/or regional related entities;
 - 5.3.5. Implement the applicable changes in relationships with international accounting bodies with whom CPA Alberta will have formal relationships;
 - 5.3.6. Empower the CPA Alberta CEO to:
 - a. execute the unification arrangements referred to herein;
 - b. deploy the CPA Alberta organizational structure;
 - c. develop business plans consistent with the 3 year strategic plan for CPA Alberta;
 - d. implement all operational policies of CPA Alberta;
 - e. unify operations of both Unifying Bodies.
 - 5.3.7. Combine and rationalize all activities, assets, and personnel of the Unifying Bodies;
 - 5.3.8. Transfer control of all associated activities and bodies controlled by the Unifying Bodies to the collective control of CPA Alberta.

6. CPA ALBERTA MEMBER APPROVAL TIMING

- 6.1. Where approval of members is required for matters associated with unifying the Unifying Bodies, these approvals will be sought from the Members of both of the Unifying Bodies and any such member approval if given by the Members of both Unifying Bodies, will be taken as an approval of the members of CPA Alberta.

7. TRANSITION STAGE FUNDING AND TRANSFERS

- 7.1. It is the intention of the Unifying Bodies that they will contribute equally, as and when financing is required, to a non-refundable fund to finance the Transition Stage and the start-up of CPA Alberta. When the Transition Stage commences, the Unifying Bodies will negotiate the terms of, and enter into, a legal contract dealing with the financing.

8. BREAK FEE

- 8.1. The Unifying Bodies intend that a Break Fee of \$500,000 will be deposited by each Unifying Body within 30 days of entering the Transition Stage and will be subject to the terms and conditions of an escrow agreement to be mutually determined by the Unifying Bodies prior to the deposit of the break fee funds.

9. MEMBER HONOURS, DESIGNATIONS AND RECOGNITIONS

- 9.1. All members honours, designations and recognitions of the Unifying Bodies (e.g. Fellowship awards, life memberships, service honours) will be continued in CPA Alberta. These shall include awards given by the Unifying Bodies and/or their national organizations and will include items such as:
- 9.1.1. FCMA, FCGA
 - 9.1.2. Life Memberships
 - 9.1.3. Life Honours
 - 9.1.4. Honourary Memberships
- 9.2. The Unifying Bodies intend that the awards will be carried forward with their current titles and/or economic effect indefinitely with respect to the Members involved. Beyond that, decisions as to new awards or the relabeling or supplementary labeling of existing awards will be a matter for deliberations and decisions by CPA Alberta and/or the national CPA body, as applicable in the circumstances.
- 9.3. Where the recognition involved is controlled by an associated entity, such as a National Body, CPA Alberta will take all reasonable steps to see the recognition extended or to replace it with a suitable Alberta honour where such an extension cannot be reasonably accomplished.

10. REGULATORY MATTERS

- 10.1. All regulatory activities in the Unifying Bodies associated with matters such as the review of Public Accounting Firms or the operation of professional discipline processes shall be continued through the Consultation, Transition and Consolidation Stages. The transfer of these processes and the associated authority will be sought in changes proposed to the Government of Alberta for legislation and any associated Regulations or Bylaws. Until that transfer is completed, the Unifying Bodies will begin delegating authority to the Unification Agency subject to suitable operating agreements, and subject to the legal and documented authority of the Unifying Bodies to undertake such delegation.

- 10.2. The Unifying Bodies intend that the regulation of Public Accounting in Alberta will be undertaken in accordance with the following principles:
- 10.2.1. Within a common framework, which is harmonized nationally among CPA organizations, which addresses entrance and continuance standards, and ensures compliance with professional standards.
 - 10.2.2. Within an organization or structure controlled by CPA Alberta. The input and participation of other stakeholders will be sought as deemed appropriate by CPA Alberta, but ultimate control of policy and operational decisions will rest with CPA Alberta.
 - 10.2.3. The regulation system will include staged or focused authorizations for practicing public accounting by CPA Alberta.
 - 10.2.4. The regulation system will recognize a variety of registration categories, establish access for a variety of members and will include registration requirements accommodating different education, experience, and competencies that are relevant to the type and size of engagements that are being offered to the public.
 - 10.2.5. The regulation system will operate in a manner which respects the obligations of CPA Alberta and the Government of Alberta to other organizations which are the subject of trade agreements of the Government of Alberta or agreements of CPA Alberta

11. LEGACY PROTECTION PRINCIPLES

- 11.1. The Unifying Bodies acknowledge the following legacy protection principles which each Unifying Body undertakes to implement through Board governance, decisions, and oversight of management and operations.
- 11.1.1. Member support and services - A major reason to undertake the unification of the accounting profession is to enhance member support and services in an efficient and effective manner. During the Transition Stage, the Unification Agency and the Boards of each Unifying Body will identify and, where practical, implement coordinated supports and services. At the beginning of the Consolidation Stage and beyond, all members of CPA Alberta will have access to all available member services and supports without differentiation between legacy designation holders and/or members who qualified through the CPA program.
 - 11.1.2. Professional Standards and Enforcement –
 - a. The ultimate goal of a unified accounting profession is to protect the public through the development and enforcement of professional standards for individuals and entities regulated by the current Unifying Bodies or CPA Alberta.
 - b. During the Transition Stage, the Unification Agency will review the existing professional standards defined in RAPA or the regulations, bylaws and policies of the Unifying Bodies, their national organizations, and the national unified

organization in order to develop the most appropriate standards and enforcement for individuals and entities regulated by CPA Alberta in the following areas:

- i. Code of ethics, rules of professional conduct, and enforcement;
- ii. Qualification criteria to become a designated accounting professional through Canadian and international professional education programs;
- iii. Qualification criteria to register and maintain the registration of a public accounting firm;
- iv. Professional Liability Insurance requirements for public accounting firms and other entities;
- v. Continuing professional development services and requirements for all Members;
- vi. Practice review of public accounting firms;
- vii. Brand promotion;
- viii. Member service and support;
- ix. Relationships with regulators; and
- x. Other areas of policy or operations within CPA Alberta.

11.1.3. Branding –

- a. One of the fundamental principles in the unification of the accounting profession is to brand the CPA designation. The approach to branding will be based on transferring brand value in the Alberta marketplace from each of the CMA and CGA designations to the CPA brand shortly after legislation is proclaimed. All board members and management of the existing Unifying Bodies, and ultimately CPA Alberta, are committed to supporting the CPA brand. This requires ceasing branding the CGA and CMA designations during the Transition Stage. Some "normal course" use and minor, informational branding of the existing designations may be necessary during the Transition Stage to continue to attract students/candidates to the accounting profession and to maintain presence in the business and post-secondary communities.
- b. During the Transition Stage, Unifying Body branding initiatives will be disclosed to the Unification Agency and any other Unifying Body. If concerns are identified by Members or the Board of a Unifying Body, amendments will be recommended to the relevant Board. That Board will be expected to take reasonable steps to resolve the branding/promotion concerns of the Members or Board of the Unifying Body or the Unification Agency.

11.1.4. Operational Prohibitions - During the Transition Stage and in the subsequent Consolidation Stage (as applicable) the Boards of the Unifying Bodies, the Unification Agency and/or of CPA

Alberta, and their agents or employees, shall not undertake, support or acquiesce in certain prohibited activities which may have the a deleterious impact on any member of a Unifying Body or CPA Alberta. These prohibited activities shall include:

- a. Supporting or promoting a Legacy Designation, a holder of a Legacy Designation, or students/candidates from a Legacy Designation positively or negatively relative to one or more other Legacy Designations.
- b. Undertaking any measure which will impede the access of a Legacy Designation holder to any part of the profession where the Legacy Designation holder had access to the part of the profession involved prior to the unification (this shall include employment with CPA Alberta). Where changes are made in professional standards in response to environmental or legislative change, it shall be acceptable for CPA Alberta or the Unifying Body to create an economically viable and responsive access route and program for those Legacy Members impacted. Economic viability here shall be assessed from the perspective of both the Unifying Body involved and the Legacy Member involved.
- c. Promoting any accounting designation other than the Canadian CPA. This shall include references to Members within the communications of CPA Alberta or the Unifying Bodies.
- d. Supporting the development or expansion of any education or professional development program which is focused on a group of Members who are differentiated by their Legacy Designation. This will preclude neither the support of the Legacy Designation education programs while they are being operated pending the introduction of the new CPA Education Program, nor the adaptation of any program to Member needs based on specific Member competency and experience.
- e. Representing directly or implicitly to any party or government that the competence and skills of one Legacy Member (or group of Legacy Members) are superior or inferior to another based solely on the Legacy Designation(s) involved.
- f. Sustaining the role of a Legacy Body or Member in any function while precluding access to that function by another Legacy Designation Member based solely upon the specific Legacy Designation involved. This does not preclude the need to temporarily maintain predecessor names (e.g. the "CICA Handbook") pending the legislative or regulatory steps necessary to re-label functions with a reference to the applicable CPA Body.

12. DESIGNATION USAGE

- 12.1. The Unifying Bodies undertake that they will only promote the CPA designation and will not promote the Legacy Designations in the Consolidation Stage and beyond. Subject to the content of RAPA, the prevailing bylaws, regulations and Board policy, as they then exist, the following rules of Designation Usage will apply.

12.2. Individuals - A Member of a Unifying Body may:

- 12.2.1. utilize their Legacy Designation without restriction during the Transition Stage and beyond, so long as that Member remains a member in good standing of the Unifying Body during that timeframe, or
- 12.2.2. utilize CPA from the commencement of the Consolidation Stage and beyond so long as the relative Legacy Designation is appended thereto, in the style (for example) of "CPA, CGA" or "CPA, CMA".

The requirement at 11.2.2 that a member include the Legacy Designation with "CPA" will not continue for a term in excess of 10 years from the beginning of the Consolidation Phase

Those CPA Alberta members who do not hold a Legacy Designation at the beginning of the Consolidation Stage will be prohibited from using any Legacy Designation. Such members may only employ CPA.

12.3. Public Accounting Firms - Consistent with the CPA branding strategy, CPA Alberta and the Unifying Bodies intend that Public Accounting firms will be eventually replacing their reference to a Legacy Designation (where such a reference is used) with a reference to "CPA" or "Chartered Professional Accountant". Public Accounting Firms will be permitted to represent themselves to the public in the following styles:

- 12.3.1. Public Accounting Firms Registered with a Legacy Body - At the commencement of the Consolidation Stage such firms may represent themselves to the public in the following styles:
 - a. CPA alone - Permitted styles include "CPA" or "Chartered Professional Accountant"
 - b. Tagged - For a period no longer than 1 year after commencement of the Consolidation Stage permitted styles include:
 - i. For firms registered with CMA Alberta at the date of Consolidation:
 - 1. CPA, CMA or
 - 2. Chartered Professional Accountant, CMA or
 - 3. Chartered Professional Accountant, Certified Management Accountant
 - ii. For firms registered with CGA Alberta at the date of Consolidation:
 - 1. CPA, CGA or
 - 2. Chartered Professional Accountant, CGA or
 - 3. Chartered Professional Accountant, Certified General Accountant
 - iii. Legacy alone - For a period no longer than 1 year after commencement of the Consolidation Stage permitted styles include:

1. For firms registered with CMA Alberta at the date of Consolidation:
 - Certified Management Accountant or CMA
 2. For firms registered with CGA Alberta at the date of Consolidation:
 - Certified General Accountant or CGA
- 12.4. Firms initially registered with CPA Alberta or a Unifying Body beyond the date when the Consolidation Stage commences may only refer to "Chartered Professional Accountant" when signing all assurance and audit reports. These firms shall be prohibited from referring to themselves as a Legacy Designation firm.
- 12.5. Rules in place for naming firms of members of more than one Unifying Body and/or CAs will be continued during the Consultation and the Transition Stage. Naming rules for such firms will be established and promulgated early in the Consolidation Stage.

13. ALBERTA POST-SECONDARY INSTITUTIONS

- 13.1. The Unifying Bodies and CPA Alberta intend generally to maintain those positive relationships which they enjoy with Alberta post-secondary educational institutions. Subject to the ultimate control of the CPA Alberta organization over the standards of the CPA profession, CPA Alberta will take reasonable steps to communicate to, and consult with these institutions on its plans, needs and expectations.
- 13.2. Financial and other relationships among Alberta Post-secondary institutions, the Unifying Bodies, and organizations related to the Unifying Bodies will be reviewed during the Transition Stage with a view to continuing those commitments from CPA Alberta which are consistent with the following criteria:
- 13.2.1. Supporting the creation of useful new knowledge which is relevant to stakeholders of the Unifying Bodies and CPA Alberta
 - 13.2.2. Supporting the research and teaching efforts of Members of the Unifying Bodies and CPA Alberta
 - 13.2.3. Contributing effectively to the public policy deliberations of governments and institutions, principally in Alberta, and in areas which are relevant to CPA Alberta and its stakeholders
 - 13.2.4. Supporting the recruiting, teaching and development of students/candidates of CPA Alberta and the Unifying Bodies
- 13.3. All public usage of the Legacy Designations in areas such as post-secondary institutions will be converted to the usage of CPA in as expeditious a manner as the Unifying Bodies and/or CPA Alberta can reasonably undertake.

14. PROFESSIONAL EDUCATION CERTIFICATION

- 14.1. As at the date of this Plan, the Unifying Bodies have agreed to a Certification Education Program that will follow the following guiding principles:
- 14.1.1. Be, and be recognized as, at least as rigorous as all current programs.
 - 14.1.2. Require an undergraduate degree and specific prerequisite business and accountancy courses for admission to the professional education program.
 - 14.1.3. Include a post-graduate professional education program developed nationally and delivered provincially/regionally.
 - 14.1.4. Culminate in a comprehensive multi-day final examination.
 - 14.1.5. Appeal to the broadest possible group of potential candidates, including post-secondary graduates with non-business degrees, immigrants and career changers. The program would be attractive to all those individuals interested in developing and enhancing their business and accountancy skills.
 - 14.1.6. Appeal to employers for the development of accountancy and business skills in a high quality, cost effective professional program.
 - 14.1.7. Meet or exceed all International Federation of Accountants (IFAC) standards for education, assessment and practical experience.
 - 14.1.8. Meet or exceed the requirements of the leading global accounting bodies, ensuring the new profession can maintain existing and establish new Mutual Recognition Agreements (MRAs).
- 14.2. The Unifying Bodies have further resolved with respect to professional education:
- 14.2.1. The CPA pre-certification program content will be based on, and aligned with the national CPA pre-certification education program.
 - 14.2.2. The delivery of CPA pre-certification education will be controlled by CPA Alberta and CPA Alberta will participate in, and support its delivery.

15. POST-CERTIFICATION

- 15.1. Offering relevant, timely and affordable on-going professional development to membership is a critical service, allowing for growth and attainment of career building skills while meeting the professional development standards as set forth by the profession. The Unifying Bodies have agreed to the following:
- 15.1.1. During the Transition and Consolidation Stages, common programs, standards and delivery processes will be sought and developed for regional and national post-designation education.

- 15.1.2. Post-designation education will be developed and delivered within a framework modeled similarly to that for Pre-Certification education, adhering to the CPA competency framework.
- 15.1.3. Post-designation programs will offer contemporary, leading edge, and evolving career options and opportunities, in Canada and abroad, to CPA members.
- 15.1.4. Delivery methods for post-designation programs will utilize leading edge technology to ensure equal access for all members, regardless of geographic limitations.
- 15.1.5. Where appropriate, industry specific post-designation programs will be developed and delivered that meet the specific needs of the Albertan marketplace.

16. CPA ALBERTA UNIFICATION AGENCY COMPOSITION

- 16.1. During the Transition Stage the Unification Agency is responsible for overseeing the implementation of the unification Plan approved by each of CMA and CGA Boards and accepted by the Members of the Unifying Bodies. Consequently, the Unification Agency will, during the Transition Stage, review and make recommendations to each Board on transition policies and operations.
- 16.2. During the Transition Stage, the Unification Agency will be comprised of the following members:
 - 16.2.1. Two Public Members who have been appointed by the Province of Alberta to the Boards of the Unifying Bodies; one from the Board of each Unifying Body as designated by the Board of the applicable Unifying Body.
 - 16.2.2. Holders of Legacy Designations of the Unifying Bodies as follows:
 - a. 3 CMA Legacy Designation holders selected by the CMA Alberta Board at the beginning of the Transition Stage
 - b. 3 CGA Legacy Designation holders selected by the CGA Alberta Board at the beginning of the Transition Stage
- 16.3. The Chair of the CPA Alberta Board during the Consolidation will be elected by a majority vote of the CPA Alberta Board.
- 16.4. Notwithstanding the composition of the Unification Agency during the Consultation and Transition Stages, any vote of the Unification Agency must be unanimous in order to pass, when the matter to be voted on includes matters associated with any of the following:
 - 16.4.1. The appointment of the CEO of CPA Alberta and matters associated with the employment arrangements of, and delegation of authority to that CEO.
 - 16.4.2. Any agreements with respect to CPA Alberta Board membership at any stage of this plan.
 - 16.4.3. Any amendment to terms agreed to herein which are intended to protect the interest of Members or employees of the Unifying Bodies.

- 16.5. At the Consolidation Stage, it is the intention of the Unifying Bodies that the Target Composition of the Board of CPA Alberta will be amended as follows, subject to the enabling legislation of CPA Alberta:
- 16.5.1. Board membership will ultimately be comprised of 3 members appointed by the Government of Alberta, 9 members elected from the membership at large of CPA Alberta to 3 year staggered terms, and the CEO of CPA Alberta (as an ex officio, non-voting Board member).
 - 16.5.2. Elected board members will hold a term of 3 years, renewable once (an appointment to the Board of CPA Alberta prior to Consolidation, or membership on a Unifying Body board, shall not be included in or counted in this term limit) .
 - 16.5.3. The Chair of CPA Alberta will be elected by the Board of CPA Alberta to a one year term, renewable for a second term, by majority of the Board. The intended Chair will be identified by the Board at a minimum of one year prior to the commencement of their term.
- 16.6. The Board of CPA Alberta, when this Plan enters the Consolidation Stage, shall be the Board as appointed by the Unifying Bodies during the Transition Stage. At Consolidation, each of these Board members will be assigned to a board term (by consensus or by lot) so that each of the Unifying Body appointed Board members shall be designated as having 1, 2, or 3 years remaining in their Board term.
- 16.7. Within 15 months of the date of Consolidation the expiring terms of Board Members shall be filled by an election by and from the members of CPA Alberta. Expiring terms will thereafter be filled by an election by and from the members of CPA Alberta each year.
- 16.8. Any vacated Board terms may be replaced by an appointment by the Board of CPA Alberta from the membership of CPA Alberta on the understanding that any member so appointed may only hold office until the next annual Board election.
- 16.9. In any election, newly elected/re-elected Board members will be assigned to terms in declining order based upon the number of votes polled.

17. UNIFYING BODY EMPLOYEES

- 17.1. Nothing in this Plan is intended to compromise or modify the rights of employees of the Unifying Bodies. The rights involved shall include those covered under specific or implied contracts of employment with a Unifying Body.
- 17.2. The Boards formally declare their intent to search for the best qualified employees for CPA Alberta notwithstanding the relationship that an employee may have with a Unifying Body or (where applicable) the Legacy Designation of the employee involved.
- 17.3. Each Board of a Unifying Body shall meet its contractual obligations to its employees and this shall include at least suitable outplacement and advisory services to all terminated Unifying Body employees.
- 17.4. Contractual or common law rights which employees of a Unifying Body may possess when beginning any employment with CPA Alberta will be continued without compromise into that employment relationship

with CPA Alberta, subject to any amended formal employment contracts which are mutually agreed for renegotiation between the employee and CPA Alberta .

18. DEFINITIONS

18.1. The following terms as used in the Plan shall have the meanings described herein:

- 18.1.1. Affiliates: bodies with whom a Unifying Body has a contractual relationship (such as an Affiliation Agreement) and which utilize the same Legacy Designation as that Unifying Body.
- 18.1.2. Affiliation Agreement: an agreement between Canadian accounting bodies having the same accounting designation.
- 18.1.3. Associated Body: an organization related to a Unifying Body through an arrangement giving the Unifying Body control over its activities.
- 18.1.4. Board: the Board of Governors of CGA Alberta, or the Board of Directors of CMA Alberta.
- 18.1.5. Board of Directors: the Board of Directors of CMA Alberta.
- 18.1.6. Board of Governors: the Board of Governors of CGA Alberta.
- 18.1.7. Break Fee: A payment by one Unifying Body to another when the paying party seeks to withdraw from this Unification Plan. The terms of the Break Fee arrangement will be the subject of a separate specific contract between the Unifying Bodies.
- 18.1.8. CA Alberta: Institute of Chartered Accountants of Alberta.
- 18.1.9. CAs: members of the Institute of Chartered Accountants of Alberta pursuant to RAPA.
- 18.1.10. Candidate: an individual who is registered in a professional program with a Unifying Body
- 18.1.11. CICA: Canadian Institute of Chartered Accountants.
- 18.1.12. CGA Alberta: Certified General Accountants' Association of Alberta.
- 18.1.13. CGAC and CGA Canada: Certified General Accountants Association of Canada.
- 18.1.14. CGAs: members of Certified General Accountants' Association of Alberta pursuant to RAPA.
- 18.1.15. CMA Alberta: Society of Management Accountants of Alberta.
- 18.1.16. CMAs: members of the Society of Management Accountants of Alberta pursuant to RAPA.
- 18.1.17. Continuing Professional Development or CPD: refers to programs, courses, or focused communications designed to increase and maintain the depth and scope of the professional competency of Members of a Unifying Body.

- 18.1.18. CPA: Chartered Professional Accountant as that term will be defined in legislation. Any other use of CPA herein will be modified by a country qualifier such as "CPA (US)". Note: In the event that the title "CPA" is not secured as intended by the Unifying Bodies, the title which the unified entity will use should be read herein as a replacement for "CPA".
- 18.1.19. CPA Alberta: Chartered Professional Accountants Association of Alberta or other organization established pursuant to legislation following the unification of CGA Alberta and CMA Alberta.
- 18.1.20. CPA Canada: Chartered Professional Accountants Association of Canada or other national organization established following a unification of accounting organizations.
- 18.1.21. CPA Education Program: the certification education program created by the Unifying Bodies as part of the unification process.
- 18.1.22. Final Unification Vote: a vote designated as such and undertaken by the Board of each Unifying Body for the purposes set out herein.
- 18.1.23. ICAA: Institute of Chartered Accountants of Alberta.
- 18.1.24. Legacy Designation: refers to the designation of Certified General Accountant held by a CGA or Certified Management Accountant held by a CMA.
- 18.1.25. Legacy Education Program: the certification education program of a Unifying Body.
- 18.1.26. Legacy Member: a Member holding a Legacy Designation or, depending on the context, a Member who has become the holder of a CPA designation by virtue of a Legacy Designation
- 18.1.27. Legacy Member Protection Principles: those principles referred to in this Plan for the protection of Legacy Members following the unification of CGA Alberta and CMA Alberta.
- 18.1.28. Member: an individual who holds a CGA or CMA, and is a member in good standing of a Unifying Body. A reference to a Member does not include students/candidates.
- 18.1.29. Member Approval or Member Endorsement: the formal affirmation of the Members of a Unifying Body in a process prescribed by the Board of the Unifying Body.
- 18.1.30. Member Dues: those annual amounts assessed to a Member of CPA Alberta or a Unifying Body as a condition of continuing membership in the relative body. Member Dues are in an amount which is generally equal for all Members of that body.
- 18.1.31. Member Fees: amounts assessed to Members of CPA Alberta or a Unifying Body in amounts which vary depending upon the service or activity involved. Such fees are not assessed to all Members.
- 18.1.32. MRA or Mutual Recognition Agreement: refers to agreements that the Unifying Bodies have with international accounting organizations and which CPA Alberta or CPA Canada will eventually have with these bodies at the completion of the unification plan herein.
- 18.1.33. National Body or National Bodies: CGAC, CMAC and/or CICA as applicable in the context.

- 18.1.34. Plan or Unification Plan: this Alberta Accounting Body Unification Plan dated May 14, 2012
- 18.1.35. Public Accounting: the practice of or offering to provide one or more of the following services to the public, whether for reward or not:
- an assurance engagement;
 - a specified auditing procedures engagement;
 - a compilation engagement;
 - an accounting service insofar as it involves summarization, analysis, advice, counsel or interpretation but excluding an accounting service which is incidental to the provider's primary occupation which is not public accounting;
 - forensic accounting, financial investigations or financial litigation support services;
 - advice, counsel or interpretation with respect to taxation matters; and
 - preparation of a tax return or other statutory filing.
- 18.1.36. Public Accounting Firm: a firm authorized by a Unifying Body or by CPA Alberta to practice Public Accounting in Alberta.
- 18.1.37. Public Member: a member of a Board of a Unifying Body appointed by the Government of Alberta under RAPA. A Public Member may not be a current or past holder of a Legacy Designation or a CPA.
- 18.1.38. RAPA: Regulated Accounting Profession Act of Alberta, R.S.A. 2000, c. R-12 as amended from time to time.
- 18.1.39. SMAA: Society of Management Accountants of Alberta.
- 18.1.40. SMAC: Society of Management Accountants of Canada.
- 18.1.41. Student: an individual who is registered in a pre-certification education program with a Unifying Body.
- 18.1.42. Unification Agency: the entity to be created by the Unifying Bodies during the Transition Stage defined herein.
- 18.1.43. Unifying Body: the Certified General Accountants' Association of Alberta or the Society of Management Accountants of Alberta Society, as is applicable in the context.
- 18.1.44. Unifying Bodies: refers to both the Certified General Accountants' Association of Alberta and the Society of Management Accountants of Alberta.

DATED at the City of Calgary, in the Province of Alberta, as of the day and year first above written.

CGA ALBERTA

Per: _____
Greg Draper, Chair

Per: _____
John Carpenter, Executive Director and
Chief Executive Officer

CMA ALBERTA

Per: _____
Ruth McHugh, Chair

Per: _____
Kara Mitchelmore, President & CEO

SCHEDULE A – UNIFICATION STAGE DATES

Subject to the approval of the Unifying Body Boards, the Unification Stage dates are as follows:

- The Consultation Stage will begin on April 1, 2012
- The Transition Stage will begin on July 1, 2012
- The Consolidation Stage, subject to legislation will begin on June 30, 2013

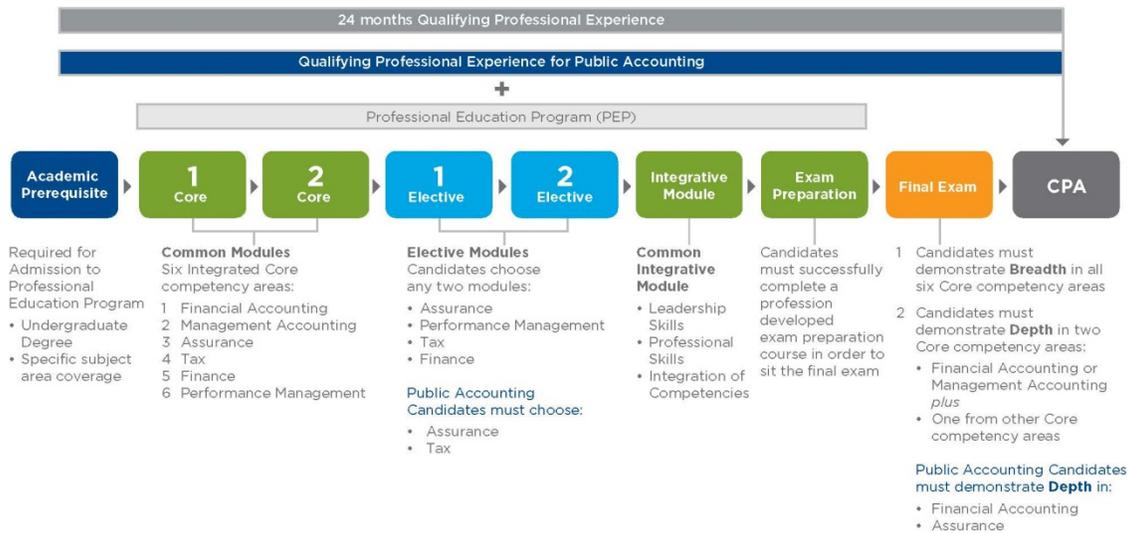
SCHEDULE B – STUDENT/CANDIDATE SCENARIOS FOR UNIFICATION DISCUSSIONS

SCENARIO	CGA	CMA
Student/Candidate A	Completed a business degree and entered CGA Program	Completed a business degree and entered CMA Program
Student/Candidate B	Completing a business degree and entered CGA Program	Not Applicable
Student/Candidate C	Completed a non-business degree and entered the CGA Program	Completed a non-business degree and entered the CMA Program
Student/Candidate D	Completing a non-business degree and entered the CGA Program	Not Applicable
Student/Candidate E	Completing an accounting diploma and entered into the CGA Program	Not Applicable
Student/Candidate F	Completed a degree and the CGA Program but not the practical experience	Completed a degree and the CMA Program but not the practical experience

Transition Schedules (As of August 2015) For students/candidates A-E, students/candidates will receive transfer credits for courses in the CPA program for equivalent courses that they have completed as at August 31, 2015. CPA Final Evaluation challenge exam privileges will be offered to those students/candidates who have completed the course work for the CGA Professional Applications 1 and 2 courses but have not successfully passed one or more of the exams for these courses.

For students/candidates in category F, an additional 2 years will be granted to complete the CGA/CMA legacy programs or be fully exempted from the education requirements under the new CPA program. Students/candidates would receive the CGA, CMA or CPA designation upon successful completion of the practical experience requirement in place under the legacy programs.

New CPA Certification Program and Public Accounting Route
 POTENTIAL IMPLEMENTATION OF CPA PROFESSIONAL EDUCATION PROGRAM



Much of what is being suggested will be addressed in the proposed model. For example Student/Candidate E would fall under the proposed CPA technician level (albeit not necessarily by that name), whereby someone in a diploma program would be given the opportunity to enter into the CPA “house”, giving credit for prior education and allowing the profession to subject this group to some level of on-going professional development and perhaps regulation.

However, much will depend on the on-going development of the CPA competency framework. It is difficult to say with certainty that no bridging will be required for existing course work completed dependent on the outcome of the mapping process; however the following points are agreed to in principle

- Any course work which has been taken at a post-secondary or equivalent level that would historically be included as a valid pre-requisite will be honored
- It is the understanding of both parties that the degree requirements are 120 course credits, which would include applied degrees (understanding that within the applied degree the student/candidate might not have all of the required courses and be required to take additional course work or bridging)

- CGA and CMA courses currently offered will have to be mapped against the new competency framework to ensure adequate coverage.
 - o If the coverage is adequate, then the student/candidate will receive credit and not have to redo work
 - o If the coverage is not adequate, additional bridging and/or course work will be required
- If a student/candidate has completed CGA elective courses, including successfully passing the final evaluation, and they map to any of the modules in the proposed CPA certification model, they will be given course transfer credit in the CPA program or, if they have not successfully passed the exam they will be permitted to challenge the exit evaluation for the module. .
- If a student/candidate has completed a CGA professional application course and failed the exam, they can attempt the related examination in the CPA module. If they are subsequently unsuccessful, they will be required to take the material in the new program prior to moving forward.
- As long as all education in the legacy programs is completed by August 2015, students/candidates will be granted an additional 2 years to obtain the required practical experience. This is subsequent to legislation being approved in a timely fashion. If this is not the case, the timelines will need to be extended.
- Prior to entering the professional program all students/candidates will be required to meet the degree component